

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-11 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-01 PRS-01
/116 W

-----074209 290101Z /66

R 251230Z JAN 78

FM AMEMBASSY NDJAMENA

TO SECSTATE WASHDC 6105

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E.O. 11652: N/A

TAGS: ENRG, CD

SUBJECT: PETROLEUM PROSPECTS IN CHAD

SUMMARY: PRESIDENT OF LOCAL CONOCO OPERATION, ANDRE
VOEGELI, AND I HAD LONG CONVERSATION ON JANUARY 24
REGARDING PETROLEUM SITUATION IN CHAD. GIST OF CONVERSA-
TION WAS THAT: (A) SIGNIFICANT NEW DISCOVERIES HAVE BEEN
MADE WHICH GREATLY ENHANCE LONG-TERM PROSPECTS;
(B) CONSTRUCTION OF REFINERY IS PROCEEDING, ALBEIT
SOMEWHAT SLOWLY; AND (C) FINANCING FOR PIPELINE FROM
RIG WELL TO REFINERY LOOKS GOOD. NOT ALL OF THE
FOLLOWING INFORMATION HAS YET BEEN PASSED TO PARENT
COMPANY AND WOULD ACCORDINGLY APPRECIATE IT IF IT
WAS HELD WITHIN USG CIRCLES FOR TIME BEING.

1. VOEGELI SAID HE WAS SOMEWHAT DISAPPOINTED WITH
THE MOST RECENT WELL IN SOUTHERN CHAD BUT THAT THIS
DISAPPOINTMENT WAS MERELY THE DARK CLOUD AROUND
THE SILVER LINING. HE SAID THE OIL COLUMN IN THE NEW
WELL WAS, IN ITSELF, SO LARGE THAT FOR A WHILE HE
HAD HOPED THIS ONE WELL WOULD PUT CHAD INTO THE
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PRODUCTION BUSINESS FOR EXPORT. HOWEVER, HIS
HOPES WERE NOT REALIZED. OF THE FIVE LEVELS
SHOWING SIGNIFICANT OIL DEPOSITS IN THE WELL, ONLY
ONE FLOWS EASILY ENOUGH TO BE PUMPED. THIS ONE
LEVEL IN ITSELF IS CAPABLE OF PRODUCING 1600 BARRELS
A DAY WHICH MAKE IT THE MOST SIGNIFICANT DISCOVERY
YET FOUND IN CHAD. THERE IS A POSSIBILITY THAT THE

OTHER FOUR LEVELS COULD BE STIMULATED TO FLOW MORE EASILY. THE DELAYS CAUSED BY EXTENSIVE TESTING OF THIS WELL, AS WELL AS THE GOOD FINDINGS, HAVE CHANGED CONOCO'S EXPLORATION SCHEDULE FOR THE REST OF THE YEAR. THEY ARE IN THE PROCESS OF MOVING TO AN AREA NORTHWEST OF DOBA TO DROP ONE WELL AND THEN WILL RETURN TO THE PRESENT SITE, EITHER TO PUT A SECOND WELL IN THE SAME FORMATION OR TO TEST A NEIGHBORING FORMATION. IN CONCLUSION, VOEGELI SAID THAT WHILE THE NEW WELL WAS NOT AN IMMEDIATE BONANZA FOR CHAD, IT AUGURED EXTREMELY WELL FOR THE FUTURE. HE IS SERIOUSLY CONSIDERING REQUESTING A SECOND RIG TO DRILL ALMOST EXCLUSIVELY IN THIS AREA.

2. AS ALL TESTS ARE NOT YET IN ON THE NEW WELL, GOVERNMENT HAS NOT YET BEEN OFFICIALLY INFORMED, ALTHOUGH IT IS AWARE OF A SIGNIFICANT NEW DISCOVERY. VOEGELI AND I ARE IN AGREEMENT THAT AS SOON AS AN OFFICIAL ANNOUNCEMENT IS MADE, THERE IS GOING TO BE GREATLY INCREASED GOVERNMENT PRESSURE TO EXPAND CONOCO'S OPERATION.

3. ARRANGEMENTS FOR MINI-REFINERY TO BE CONSTRUCTED IN NDJAMENA ARE CONTINUING, ALTHOUGH THERE HAS BEEN ONE MONTH DELAY IN THE AWARD OF THE CONSTRUCTION CONTRACT. THIS DELAY IN ITSELF IS NOT LIMITED OFFICIAL USE

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SIGNIFICANT AS REFINERY WAS DUE TO BE FINISHED CONSIDERABLY BEFORE PIPELINE WHICH WOULD CONNECT IT TO SOURCE OF PETROLEUM. HOWEVER, ANY DELAY HAS PSYCHOLOGICAL EFFECT WITH GOVERNMENT WHICH IS IMPATIENT, AND HAS THE NORMAL UNDERLYING SUSPICION THAT OIL COMPANIES ARE DELIBERATELY DRAGGING THEIR FEET.

4. VOEGELI SAID THAT AN IBRD DELEGATION WAS DUE IN NDJAMENA ON APRIL 30 IN CONNECTION WITH THE POSSIBLE FINANCING OF THE PIPELINE FOR THE NEW REFINERY. HE SAID THAT IBRD HAD ALREADY INDICATED IT WAS READY TO SPEED UP ITS NORMAL CONSIDERATION OF SUCH A PROJECT IF IT DECIDED FAVORABLY UPON IT.

5. COMMENTS: THE MINIMAL NATURE OF CONOCO'S EFFORTS (BOTH IN SIZE AND AREA COVERED) TO DATE AND THE SIGNIFICANT RESULTS IT HAS ALREADY ACHIEVED INDICATE THAT IN THE LONG RUN A GREAT DEAL OF PETROLEUM CAN BE PRODUCED IN THIS OTHERWISE IMPOVERISHED, LANDLOCKED COUNTRY. EACH NEW WELL AND SERIES OF TESTS MAKES IT CLEARER AND CLEARER THAT CHAD WILL

BE, IN THE FUTURE, A SIGNIFICANT PETROLEUM EXPORTER.
ACCORDINGLY, OUR INTERESTS IN CHAD INCREASE WITH
EACH NEW DISCOVERY.BRADFORD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM RESERVES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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